

Govt sets ball rolling on HLL Biotech sell-off

Set up as a vaccine-maker, the arm of Hindustan Lifecare has had little success

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At a time when most people in the country are worried about availability of a vaccine for Covid-19, the government is taking baby steps to divest a public sector vaccine maker that it set up barely eight years ago.

Hindustan Lifecare Ltd (HLL), a public sector unit under the Ministry of Health and Family Welfare, on Wednesday convened a meeting of creditors of its wholly-owned subsidiary, HLL Biotech, located in Tamil Nadu's Chengalpattu district, to get their consent to hive off the latter as a

special purpose vehicle so that it can be sold subsequently.

A senior Hindustan Lifecare official confirmed to *Business-Line* about Wednesday's virtual meeting.

HLL Biotech, incorporated in March 2012, was conceived as an integrated complex to manufacture and supply vaccines for universal immunisation programme. However, the unit, set up in a sprawling 100-acre campus, suffered major cost and time overruns and its sole attempt to make pentavalent vaccine had only limited success.

In November 2017, the Cab-



Madras High Court in June had asked HLL Biotech and its parent to approach the ICMR to offer the unit for Covid-19 related vaccine development

inet Committee on Economic Affairs gave an in-principle approval to hive off HLL Biotech as separate firm and to its eventual disinvestment.

For Covid vaccine

Significantly, the Madras High Court in June, while disposing of a public interest litigation, asked HLL Biotech and its parent Hindustan Lifecare to approach the Indian Council of

Medical Research (ICMR) to offer the unit for Covid-19 related vaccine development. However, it was not immediately known whether any such plan has been placed before the ICMR.

"Considering that public money worth ₹600 crore has been spent already, the authorities should explore the possibility of using the facility as we are currently going

through a public health crisis," said an official in the know of the developments.

Instead of selling it to a private party that may or may not be engaged in vaccine manufacturing, the government could explore the possibility of using it for making a Covid-19 vaccine, after obtaining licence from the developer, he said.

Currently three Covid-19 candidate vaccines are undergoing clinical trials and three others are in pre-clinical evaluation.

This could be a readily available asset as the country has to ramp up vaccine production to protect its 130 crore population from the raging pandemic, he observed.

"The government could

make the vaccine on its own or turn this into a private-public partnership model, something that is being suggested by the NITI Aayog," the official said adding that preparing the facility to make a vaccine will take only three months.

Staff worried

Even as HLL biotech's fate hangs in the balance, its over 150 employees are a worried lot.

"Already these people are living off a paltry sum doled out by the parent company for the last 12 months. While a non-executive staff gets ₹10,000 a month, an executive grade employee gets ₹25,000 a month," said the official.